Decline in industrial growth rate

†307. SHRI RAJ MOHINDER SINGH:
SHRI KAPIL SIBAL:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that from November to January during the current financial year the growth rate of industrial production has decreased continuously;

(b) if so, the monthly growth rate in industrial production from November to January;

(c) whether it is also a fact that in comparison to the growth rate of these months, the growth rate in industrial production had increased in the first seven months in the current year;

(d) if so, the details thereof; and

(e) the reasons for decrease in growth rate in the last months of the year?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) No Sir, The latest data, available up to December, 1999, on the Index of Industrial Production (IIP) released by Central Statistical Organisation reveals that the rate of industrial growth in November, and December, 1999 was 3.2% and 5.2% respectively.

(c) and (d) The table below gives the growth rates of industrial production in the first seven months of the current year and the period thereafter and the growth rates in corresponding period of last year.

Overall Industrial Production

(Percentage)

Month	1998-99	1999-2000
Apr	4.8	5.0
May	3.7	7.7
Jun	4.8	5.3
Jul	3.4	6.4
Aug	4.4	7.4
Sep	2.8	7.7
Oct	0.0	8.4
Nov	5.2	3.2
Dec	4.3	5.2

†Original notice of the Question was received in Hindi.

(e) The industrial production in the last month has shown an increase.

Agreement between America and India to remove restrictions

†308. SHRI KAPIL SIBAL:

SHRI BALWANT SINGH RAMOOWALIA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that an agreement has been entered into between America and India recently to the effect that all the restrictions imposed on India, so far, will be removed by 1st April, 2001;

(b) if so, whether it is also a fact that as per the agreements of World Trade Organisation these restrictions are to be removed by the year 2003;

(c) if so, the reasons for removing these restrictions two years earlier; and

(d) the expected benefits to be accrued to the country?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) India has been maintaining Quantitative Restrictions (QRs) on imports for Balance of Payments (BOP) reasons. In January 1997, following an improvement in its BOP position the "Committee on BOP Restrictions" of the World Trade Organisation (WTO) invited India to present a phase out Plan for elimination of its remaining QRs maintained for BOP purposes. India presented a nine year phase out plan for removal of its QRs, which was further reduced to seven years but even this was not acceptable to a number of India's trading partners. Consequently, the Committee concluded its consultations without any decision.

Subsequently, India held consultations and signed bilateral agreements with Australia, New Zealand, Canada, Switzerland, European Union and Japan for a six year phase out of its QRs on BOP grounds by 31.3.2003. However, such consultations with USA did not fructify and the USA initiated a dispute against India in the WTO. The Dispute Settlement Panel and the Appellate Body ruled against India holding that India was not justified in maintaining its QRs on BOP grounds. Following adoption of these reports by the Dispute Settlement Body (DSB), a Reasonable Period of Time (RPT) had to be determined for India to implement the rulings and recommendations of the DSB. The RPT can be determined either through arbitration where the maximum period

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